

ROUTING AND RECORD SHEET

SUBJECT: (Optional)

Foreign Ownership, Control, or Influence Policy

FROM:

EXTENSION

NO.

* OL 5017-83

DATE

15 JUN 1983

STAT

STAT

TO: (Officer designation, room number, and building)

DATE

OFFICER'S INITIALS

COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)

	TO: (Officer designation, room number, and building)	DATE		OFFICER'S INITIALS	COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)	
		RECEIVED	FORWARDED			
1.	D/L 2C02				1. For concurrence.	STAT
2.						
3.	D/S 4E60, Hdqs.				3. For concurrence.	STAT
4.						
5.	DDA 7D18, Hdqs.		30 JUN 1983		5. For concurrence.	
6.						
7.	General Counsel 7C36, Hdqs.		7/27/83		7. For concurrence.	
8.	OS Reg					
9.						
10.					NOTE: Prior to distribution as a Headquarters notice, the attached document will, of course, be routed Agency-wide by Regulations Control Division.	STAT
11.	C/PMS/OL 2G31,					
12.						
13.	C/P&PS/OL				Per our conversation	STAT
14.					would you please get this moving for issuance of a HN. Ask Smokey to note to all reviewers that this has already been approved by Sporkin, Fittwater, and the Directors of Logistics and Security.	STAT
15.						

FORM 1-79

610 USE PREVIOUS EDITIONS

15 JUN 1983

General Counsel

83-05521

MEMORANDUM FOR: General Counsel

Deputy Director for Administration
Director of Logistics
Director of Security

FROM:

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Foreign Ownership, Control, or Influence Working Group

SUBJECT: Foreign Ownership, Control, or Influence Policy

1. A revised draft policy statement is attached for Central Intelligence Agency (CIA) handling of requests to conduct business with contractors possibly subject to foreign ownership, control, or influence (FOCI). This draft statement draws upon experience and recent fact gathering throughout the industrial community. It accommodates CIA peculiar requirements and allows judgment to prevail rather than binding the Agency to rigid rules. Elements of the policy statement are as follows:

a. DD Form 441s (Certificate Pertaining to Foreign Interests) and Agency addenda which require contractor certification regarding FOCI will be required from all contractors doing business with CIA regardless of whether items being procured or association with the contractor is classified or not. Purchase orders or contracts with a total value less than \$100,000 are exempt.

b. Information collected from contractors (DD Form 441s) will be filed into an automated system (CONIF, STEPS, SECOND) for easy retrieval by personnel included in the procurement process.

c. An Agency FOCI Review Panel, consisting of representatives from the Office of General Counsel, the Office of Logistics, and the Office of Security, advisory to the Director of Logistics, will review FOCI information and make recommendations to the Director of Logistics as to whether contracts may be placed with a new contractor and also as to whether contracts should be continued with an existing contractor.



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d. The policy will apply to all contractors, whether they will be required to handle classified information or not.

e. Contracting officers will be responsible for evaluating classification or sensitivity versus possible FOCI on contracts with a value less than \$100,000. They may refer any case for review, regardless of value, in accordance with this policy.

2. Implementation of the proposed policy will require the following actions:

a. The Security Staff, Office of Logistics, will issue a letter to all current CIA contractors holding contracts with a total value of at least \$100,000 on which work will not be completed prior to 1 October 1983. His letter will require submittal of a current DD Form 441s.

b. The CONIF, STEPS, and SECOND systems will be enhanced to facilitate storage of FOCI elements, as well as decisions on whether firms are approved for contracting or disqualified from further CIA contracts.

c. Contracting officers will be required to obtain current DD Form 441s's on any new contractor.

d. The Agency FOCI Review Panel will establish administrative procedures for conducting its business.

3. The Headquarters Notice (HN) has been written in such a way to allow it to be unclassified and facilitate release to contractors.

4. Implementing procedures for the FOCI HN are attached and can either be published in the Acquisition Handbook [redacted] available to all contracting officers, or as a procurement note, whichever is deemed appropriate.

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5. Coverage of the attached HN is broad enough to supersede and cancel [redacted] entitled "Acquisition of Foreign Automatic Data Processing Resources," dated 22 October 1982.

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Attachments:

A. Draft HN

B. Implementing Procedures

SUBJECT: Foreign Ownership, Control, or Influence Policy

CONCUR:

/s/ Daniel C. King
Director of Logistics

17 JUN 1983
Date

[Redacted]
Director of Security

24 JUN 1983
Date

STAT

[Redacted]
~~Associate~~ Deputy Director for Administration

30 JUN 1983
Date

STAT

STANLEY SPORKIN

General Counsel

JUL 2 7 1983
Date

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